

SENATE BILL 3225  
By Miller

AN ACT to amend Tennessee Code Annotated, Section 67-4-409, relative to realty transfer tax distributions, and to amend Chapter 355 of the Public Acts of 2003.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-409, is amended by deleting subsection (g) in its entirety and by substituting instead the following language:

(g) Wetland acquisition fund. Three and one-fourth cents (3.25¢) of the tax levied by subsection (a) shall be credited to a special agency account in the state general fund known as the "1986 wetland acquisition fund"; provided, that such funds shall not be obligated or expended to acquire any interest in real property through condemnation or the power of eminent domain. Expenditures from such fund shall only be made to implement and effectuate the purposes of title 11, chapter 14, part 4. The fund may be expended to maintain property purchased pursuant to such part. Funds deposited in such fund shall not revert at the end of any fiscal year, and all interest accruing on investments and deposits of the fund not otherwise expended shall be returned to and made a part of the fund.

SECTION 2. Tennessee Code Annotated, Section 67-4-409, is amended by deleting subsection (i) in its entirety and by substituting instead the following language:

(i) Local parks land acquisition fund.

(1) One and three-fourths cents (1.75¢) of the tax levied by subsection (a) shall be credited to a special agency account in the state general fund known as the "local parks land acquisition fund". The moneys in this fund shall be used only for grants to county and municipal governments to implement and carry out the purposes set forth in subdivision (i)(3); provided, that the commissioner of

environment and conservation may allocate not more than three and one-half percent (3.5%) of the moneys in this fund for the administration of the fund. Funds deposited in such fund shall not revert at the end of any fiscal year, and all interest accruing on investments and deposits of the fund not otherwise expended shall be returned to and made a part of the fund.

(2)

(A) The commissioner of environment and conservation, the commissioner of agriculture, and the director of the wildlife resources agency shall jointly establish priorities for the appropriate allocation of funds deposited in the local parks land acquisition fund. No project shall receive any such funds unless each such official has approved such expenditure. Such officials shall consider applications from county and municipal governments throughout the state.

(B) At least sixty percent (60%) of the funds allocated annually shall go to municipal governments.

(3) County and municipal governments may use the funds allocated under this section for the purchase of land for parks, natural areas, greenways, and for the purchase of land for recreation facilities. Such funds may also be used for trail development and capital projects in parks, natural areas, and greenways.

(4)

(A) Any county or municipal government which receives a grant under this section must match the grant with an equal amount of money for each project. The matching money provided by the local government may be used to purchase additional land or to develop facilities on the land which is purchased with the grant. Rather than providing matching money, the local government may provide as its match a tract of land which is donated to the local government by a third party at the time the state grant is made, which is located adjacent to the tract of land for

which the state grant is sought, and which is independently appraised as having the same value as the amount of the state grant.

(B) Rather than providing matching money, the local government may also provide as all or part of its match volunteer services, materials, and equipment which are donated to the local government by a third party at the time the state grant is made, which are used for trail construction or other development on the tract of land for which the state grant is sought, and which are valued in a manner specified by the department.

(5) If an application from a county or municipal government has been submitted for a grant from the local parks land acquisition fund and the county or municipal government subsequently purchases the land or constructs the trail for which the grant was sought before the grant is acted upon, the grant may still be awarded as a reimbursement; provided, that the application was submitted by the local government no more than twelve (12) months prior to the award of the grant.

(6) The commissioner of environment and conservation, the commissioner of agriculture and the director of the wildlife resources agency may promulgate regulations to implement this subsection (i).

(7) No funds deposited in the local parks land acquisition fund from the tax levied by subsection (a) shall be obligated or expended to acquire any interest in real property through condemnation or the power of eminent domain.

SECTION 3. Tennessee Code Annotated, Section 67-4-409, is amended by deleting subsection (j) in its entirety and by substituting instead the following language:

(j) state lands acquisition fund.

(1) One and one-half cents (1.5¢) of the tax levied by subsection (a) shall be credited to a special agency account in the state general fund known as the "state lands acquisition fund". Expenditures from such fund shall be made only to implement and carry out the purposes set forth in subdivision (j)(2). Funds deposited in such fund shall not revert at the end of any fiscal year, and all

interest accruing on investments and deposits of the fund not otherwise expended shall be returned to and made a part of the fund.

(2)

(A) The commissioner of environment and conservation shall expend the funds which are deposited in the state lands acquisition fund only for the acquisition of land for any area designated as an historic place as evidenced by its inclusion on the National Register of Historic Places, state historic areas or sites, state parks, state forests, state natural areas, boundary areas along state scenic rivers, the state trails system, and for the acquisition of easements to protect any of the foregoing state areas. Such funds may also be used for trail development in the foregoing areas. Such funds may also be used for the redevelopment, renovation and restoration of historic theaters owned by a governmental entity or a not-for-profit corporation or its controlled affiliate and listed on the National Register of Historic Places.

(B) No funds deposited in the state lands acquisition fund from the tax levied by subsection (a) shall be obligated or expended to acquire any interest in real property through condemnation or the power of eminent domain.

(3) The first three hundred thousand dollars (\$300,000) deposited in the state lands acquisition fund shall be transferred and credited to the compensation fund created under § 11-14-406. Following the procedure set forth in that section, the commissioner of finance and administration shall annually reimburse each city and county the amount of lost property tax revenue resulting from any purchase of land by the department of environment and conservation which renders such land tax exempt.

(4) The commissioner of environment and conservation, the commissioner of agriculture and the director of the wildlife resources agency shall jointly establish priorities for the appropriate allocation of funds deposited in

the state lands acquisition fund. No project shall receive any such funds unless each such official has approved such expenditure. The commissioner of environment and conservation, the commissioner of agriculture and the director of the wildlife resources agency may promulgate regulations to implement this subsection (j).

SECTION 4. Tennessee Code Annotated, Section 67-4-409(l), is amended by deleting subdivision (1) in its entirety and by substituting instead the following language:

(1) One and one-half cents (1.5¢) of the tax levied by subsection (a) shall be credited to a special agency account in the state general fund known as the "agricultural resources conservation fund". Expenditures from such fund shall be made only to implement and carry out the purposes set forth in subdivision (l)(2). Funds deposited in such fund shall not revert at the end of any fiscal year, and all interest accruing on investments and deposits of the funds not otherwise expended shall be returned to and made a part of the fund.

SECTION 5. Chapter 355 of the Public Acts of 2003 is amended by deleting Section 70 in its entirety.

SECTION 6. This act shall take effect July 1, 2004, the public welfare requiring it